

Action Plan

Grantee: Cincinnati, OH

Grant: B-11-MN-39-0003

Grant Amount: \$ 3,160,661.00

Status: Submitted - Await for Review

Funding Sources

No Funding Sources Found

Narratives

Summary of Distribution and Uses of NSP Funds:

In order to establish areas of greatest need, a thorough analysis was conducted. This analysis included the evaluation of: HUD NSP3 Need Scores, local market conditions, housing and community development goals, and ongoing housing, business, and code enforcement activities. Using this approach, target areas within the City of Cincinnati were identified which meet NSP3 defined objectives. First, the City utilized data provided by HUD to identify neighborhoods with high NSP3 need scores. This data included a foreclosure risk score, Low-, Moderate-, Middle- Income Area Benefit designation (as defined by HUD), address vacancy, and other information for each block group. Building on the market conditions established by the HUD Need Score the City examined additional local market data and neighborhood characteristics. The purpose of this was to determine the appropriateness of implementing NSP3 activities in potential target areas. This analysis included a review of the REO and vacant property available, nature of existing housing stock and potential market demand. In accordance with the NSP3 objective to focus on the creation of affordable rental housing, specific emphasis was placed on identification of available, NSP-eligible, multifamily units.

The final step in targeting areas of greatest need was to analyze the level of community and economic development activity taking place throughout the City. The alignment of NSP3 activities with NSP1 and NSP2 activities, as well as, with other Community Development efforts will serve to increase the overall stabilizing effect of all program efforts. It the goal of the City to align NSP3 activities with other Federal, State, and local initiatives. To accomplish this, completed, currently underway, and planned projects within high need score neighborhoods were identified.

As a result of the analysis outlined above, target areas within the City of Cincinnati were identified for NSP3 implementation. NSP3 activities will take place within four City neighborhoods: Bond Hill, South Fairmount, Northside, and Evanston. The neighborhoods proposed as NSP3 target areas have a combined HUD-determined NSP3 Need Score within the necessary range, demonstrate alignment with other Community Development efforts, and have previously been involved in NSP. It is the goal of the City to continue work within these four communities in order to: increase property values, decrease number of dilapidated and/or vacant units, enhance affordable housing, increase the level of homeownership, and increase the availability of rental housing. Continued work within these neighborhoods will also provide the best opportunity for our NSP3 investment to make visible and quantifiable impact.

Based on both the market evaluation and the needs of the NSP3 target neighborhoods, the City will continue to implement three overarching stabilization initiatives: Affordable Multi-Family Rental Housing, Affordable Single-Family Homeownership, and Hazard Abatement and Demolition. In the neighborhoods of Evanston and Northside the City will implement NSP3 Affordable Rental Housing activities. In the neighborhood of Bond Hill the City will implement NSP3 Affordable Homeownership activities. In the neighborhoods of Evanston, Northside, Bond Hill and South Fairmount the City will implement NSP3 Hazard Abatement and Demolition activities.

Citizen Participation Plan

The City of Cincinnati followed its citizen participation process as described in the Consolidated Plan and as modified by the NSP3 Notice in order to ensure the public is aware of the NSP3 Substantial Amendment. Citizens have reasonable and timely access to information and records relating to Cincinnati's Consolidated Plan documents by contacting the City of Cincinnati Office of Budget and Evaluation, Room 142, City Hall, between the hours of 8:00 a.m. and 4:00 pm., or by calling 513.352.3232. Notice of a public hearing which explicitly mentioned NSP3 appeared in The Cincinnati Enquirer, a newspaper of general circulation, and its associated website Cincinnati.com as well as in the City Bulletin, a legal notice publication of the City of Cincinnati, in September 2010 as mandated by the public comment procedures in the Consolidated Plan. The public hearing took place October 7, 2010. The City of Cincinnati NSP3 Substantial Amendment to the Consolidated Plan, including the NSP3 mapping tool data and narrative, was published and posted on the City's website http://www.cincinnati-oh.gov/cdap/downloads/cdap_pdf41209.pdf from February 13 – 28, 2011. The Cincinnati City Council considered and approved submission of the NSP Substantial Amendment at its meeting held on February 24, 2011. The City Council meeting was held in City Hall, which is an accessible facility. Other accommodations for sight or hearing-impaired persons and for non-English speaking persons were available upon request. The City considers all comments from citizens prior to the submission of the substantial amendment as part of its amendment process.

There were no public comments recieved.

How Fund Use Addresses Market Conditions:

The regional housing market has demonstrated weakness over the past twelve months, however, not at the rate or severity as the national housing market. The local housing stock, in addition, typically does not meet current market preferences. The mismatch in housing stock and housing demand has resulted in structurally obsolescent housing units excess, declining sale prices, declining values, abandonment of units, and conversion of single-family homeowner units to sub-standard rental housing units.

The combination of population loss and increase in unemployment has resulted in a less dense residential core. Homes, apartment buildings and other residential units are being neglected and/or abandoned. Vacancy rates are high in relation to surrounding communities. A continual and gradual lack of employment and/or underemployment is a driving factor in the regional housing crisis. The vacancy scores in the target geography substantiate the high vacancy problems. The communities at the focus of the City's NSP3 Action Plan have suffered dramatic economic and social decline, which has been further impacted by the foreclosure crisis.

Target areas selected for NSP3 activities have a cumulative NSP3 Need Score above the State Minimum Qualifying NSP3 Need Score. This indicates these areas are in high need of NSP3 assistance. Specifically, the target areas show high rate of foreclosures, delinquencies, subprime loans as well as high rates of vacancy. Additional market research suggests that the foreclosure and abandonment issues within the target areas are not related to over-building and over-valuation of the housing stock, but rather a significant loss of employment and large stock of vacant structures. These communities historically have lower economic indicators and thus, tend to have higher rates of foreclosure and occurrence of vacant homes. Existing households have limited resources and are less likely to avoid foreclosure due to employment loss, low and negative equity mortgage lending practices, etc. Finally, the selected target areas have been involved in NSP previously allowing for a practical understanding of the market forces at work in the areas.

Based on an analysis of the above listed factors the City has determined the market types of the target areas of Evanston, Northside and Bond Hill to be moderate-demand with a higher supply of eligible properties. While the target area of South Fairmount was found to be low-demand with a high supply of eligible properties. As a result the City will undertake two separate strategies: (1) Heavily subsidized rehabilitation and redevelopment activities of both rental and homeownership units; and (2) Demolition of blighted structures. A detailed breakdown of the activities to be implemented by target areas is included below.

Ensuring Continued Affordability:

When Neighborhood Stabilization Program (NSP) funds are used to develop affordable rental housing in the City of Cincinnati, a Compliance Period is established at project completion and is based on the number of assisted units developed and the amount of NSP funding invested. This period will range from 5 to 20 years based on the amount of NSP funds invested per unit, and following the HOME regulations for the affordability period. Maximum rent levels will be established annually using the HIGH HOME RENT LIMIT as published by HUD in the HOME Program Rents schedule. The City of Cincinnati reserves the right to impose lower Maximum Rents ("Low HOME Rent Limit") in units designated to serve households that are at or below 50% of the Area Median Income. In that Compliance Period, tenant rents will be monitored in a way similar to the method used by the City to monitor HOME funds. Tenant Leases will be reviewed to insure language that is not applicable has been removed. Tenant rents will be monitored annually during the affordability period to ensure compliance. The City will determine if properties are in compliance by conducting desk audits of signed self-certifications, on-site visits, and tenant file reviews. On smaller projects, the City will assess 100% of the tenants occupying NSP assisted units to verify that tenant rents and income meet program requirements. Projects consisting of approximately 25 units or more are evaluated by randomly selecting at least 20% of the NSP-assisted units. A correction period will be noted to allow property management opportunities to correct any findings or concerns. Owners who do not meet the NSP requirements within the remediation period will be referred to the Law Department for legal action. In addition, owners who have not resolved compliance violations will be excluded from participating in other City housing programs until they have corrected the deficiencies and remained in compliance for a year.

Definition of Blighted Structure:

The City's definition of "blighted structure" in the Cincinnati Municipal Code is provided below.

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>Sec. 727-1-B. Blighted Premises. "Blighted premises" shall mean premises which because of their age, obsolescence, dilapidation, deterioration, lack of maintenance or repair or any combination thereof constitute a serious fire hazard, a serious health hazard, a substantial and unreasonable interference with the reasonable and lawful use and enjoyment of other premises within the neighborhood or a factor seriously depreciating property values in the neighborhood.

Definition of Affordable Rents:

The City of Cincinnati will define "affordable rents" for the Neighborhood Stabilization Program using the Low HOME rents definition as stated in the Building HOME training manual. This citation is below.

Units must have rents which are no greater than: Thirty (30) percent of the tenant's monthly adjusted income, OR thirty (30) percent of the annual income of a family whose income equals 50 percent of median income (Low HOME Rent), OR if a project has a federal or state project-based rental subsidy and the tenant pays no more than 30 percent of his or her adjusted income toward rent, the maximum rent may be the rent allowable under the project-based rental subsidy program.

Housing Rehabilitation/New Construction Standards:

Single-family residential properties acquired and rehabilitated under this program will be subject to City of Cincinnati NSP Single-Family Residential Rehabilitation Standards, which can be found on the City's website http://www.cincinnati-oh.gov/cdap/downloads/cdap_pdf41208.pdf. These Standards utilize the State of Ohio Department of Development Housing Rehabilitation Handbook Part II Residential Rehabilitation Standards (RRS) located at <http://www.development.ohio.gov/cms/uploadedfiles/CDD/OHCP/Residential%20Rehabilitation%20Standards.pdf> as a minimum threshold.

Standards have gone one step further to overlay RRS with NSP-specific amendments mandating energy efficiency and green standards to be included in all rehabilitation work completed under the City's NSP3 Program. When in conflict, the Cincinnati Rehabilitation Standards supersede RRS to guarantee compliance with HUD directives. The Standards also serve to ensure consistency between units completed through the NSP3 Program, meet or exceed the standards set forth by the Energy Star Qualified New Homes Standards, and ensure that program funds are used in the most efficient manner possible. Multifamily structures will incorporate the American Society of Heating, Refrigerating, and Air-conditioning Engineers (ASHRAE) Standard, as mandated by NSP3 Regulations. In addition, units will be subject to the Lead Based Paint regulations, as specified in Section 401 (b) of the Lead Based Paint Poisoning Prevention Act, and 24 CFR Part 35 Subparts B and J.

Vicinity Hiring:

In order to comply with the mandate included in the Dodd-Frank bill "to the maximum extent feasible, provide for the hiring of employees who reside in the vicinity", the City of Cincinnati will utilize a Notice of Funding Availability (NOFA) to select developers for NSP3 projects. In designing the scoring criteria for NSP3 NOFA(s) the City will create preferences for vicinity hiring in two manners; the location of the applying developer in relation to the project and the applying developers procedures and commitment for vicinity hiring of employees and contractors.

Procedures for Preferences for Affordable Rental Dev.:

In accordance with the Dodd-Frank bill the City of Cincinnati will incorporate affordable rental housing in NSP3 activities in the target areas of Evanston and Northside. The City will utilize the majority of its NSP3 grant amount towards the development of affordable rental housing. Affordable rental housing will be implemented to meet the Low-Income Housing 25% Set-Aside. Additionally, the City will develop affordable rental housing targeted at Low Moderate Middle Income (LMMI) residents. Approximately twenty-six (26) units of affordable rental housing will be created through NSP3. This production level was arrived at based on the funding available through NSP3 and a realistic estimate of outside leverage available to finance the projects.

Grantee Contact Information:

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Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
90001	NSP3 Affordable Rental Project	1-162000	NSP Affordable Rental Project
90002	NSP3 Purchase and Redevelopment	2-162000	NSP Affordable Homeownership Project
90003	NSP3 LH25 Affordable Rental Project	3-162000	NSP LH25 Affordable Rental Project
90004	NSP3 Hazard Abatement and	4-167000	NSP Hazard Abatement and Demolition
90005	NSP3 Administration	5-162000	NSP3 Administration
9999	Restricted Balance	<i>No activities in this project</i>	

Activities

Grantee Activity Number: 1-162000
Activity Title: NSP Affordable Rental Project

Activity Type:

Rehabilitation/reconstruction of residential structures

Activity Status:

Planned

Project Number:

90001

Project Title:

NSP3 Affordable Rental Project

Projected Start Date:

05/01/2011

Projected End Date:

04/30/2014

National Objective:

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Total Budget, Program Funds:

\$ 1,338,364.00

Other Funds Total:

\$ 0.00

Total Funds Amount:

\$ 1,338,364.00

Environmental Assessment:

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

Renter Households

Total

Low

Mod

Low/Mod%

16

0.00

of Households

16

0.00

Proposed Accomplishments

Total

of Multifamily Units

16

of Housing Units

16

Activity funds eligible for DREF (Ike Only)

#Units & other green

#Units deconstructed

#Sites re-used

2

#Units exceeding Energy Star

16

#Units with bus/rail access

16

#Low flow showerheads

16

#Low flow toilets

16

#Units with solar panels

#Dishwashers replaced

16

#Clothes washers replaced

4

#Refrigerators replaced

16

#Light fixtures (outdoors) replaced

10

#Light Fixtures (indoors) replaced

50

#Replaced hot water heaters

16

#Replaced thermostats

16

#Efficient AC added/replaced

16

#High efficiency heating plants

16

#Additional Attic/Roof Insulation

2

#Energy Star Replacement Windows

50

of Properties

2

Activity is being carried out by Grantee:

Yes

Activity is being carried out through:

Grantee Employees and Contractors

Organization carrying out Activity:

City of Cincinnati

Proposed budgets for organizations carrying out Activity:**Responsible Organization**

City of Cincinnati

Organization Type

Unknown

Proposed

\$ 1,338,364.00

Location Description:

This activity will take place in the target areas of Evanston and Northside

Activity Description:

This project provides funds to purchase and redevelop homes and residential properties that are vacant and have been abandoned or foreclosed upon, in order to rent such homes and properties for persons at or below (120%) of the area median income.

- 24 CFR 570.201(a) Acquisition

>- 24 CFR 570.202 Eligible rehabilitation and preservation activities for homes and other residential properties

Grantee Activity Number: 2-162000
Activity Title: NSP Affordable Homeownership Project

Activity Type:

Rehabilitation/reconstruction of residential structures

Activity Status:

Planned

Project Number:

90002

Project Title:

NSP3 Purchase and Redevelopment Project

Projected Start Date:

05/01/2011

Projected End Date:

04/30/2014

National Objective:

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Total Budget, Program Funds:

\$ 400,000.00

Other Funds Total:

\$ 0.00

Total Funds Amount:

\$ 400,000.00

Environmental Assessment:

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

Total **Low** **Mod** **Low/Mod%**

Owner Households

4

0.00

of Households

4

0.00

Proposed Accomplishments

Total

of Singlefamily Units

4

of Housing Units

4

Activity funds eligible for DREF (Ike Only)

#Units & other green

#Units deconstructed

#Sites re-used

4

#Units exceeding Energy Star

4

#Units with bus/rail access

4

#Low flow showerheads

4

#Low flow toilets

8

#Units with solar panels

#Dishwashers replaced

4

#Clothes washers replaced

4

#Refrigerators replaced

4

#Light fixtures (outdoors) replaced

12

#Light Fixtures (indoors) replaced

32

#Replaced hot water heaters

4

#Replaced thermostats

4

#Efficient AC added/replaced

4

#High efficiency heating plants

4

#Additional Attic/Roof Insulation

4

#Energy Star Replacement Windows

40

of Properties

4

Activity is being carried out by Grantee:

Yes

Activity is being carried out through:

Grantee Employees and Contractors

Organization carrying out Activity:

City of Cincinnati

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
City of Cincinnati	Unknown	\$ 400,000.00

Location Description:

The activity will take place within the target area of Bond Hill

Activity Description:

This project provides funds to purchase and redevelop homes and residential properties that are vacant and have been abandoned or foreclosed upon, in order to sell or redevelop such homes and properties. This project may also provide funds to redevelop demolished or vacant properties. This project will additionally provide direct homeownership assistance to an income eligible buyer (120%) Area Median Income.

- 24 CFR 570.201(a) Acquisition

>- 24 CFR 570.202 Eligible rehabilitation and preservation activities for homes and other residential properties

>- 24 CFR 570.201 (n) Direct Homeownership Assistance

Grantee Activity Number: 3-162000
Activity Title: NSP LH25 Affordable Rental Project

Activity Type:

Rehabilitation/reconstruction of residential structures

Activity Status:

Planned

Project Number:

90003

Project Title:

NSP3 LH25 Affordable Rental Project

Projected Start Date:

05/01/2011

Projected End Date:

04/30/2014

National Objective:

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Total Budget, Program Funds:

\$ 790,165.00

Other Funds Total:

\$ 0.00

Total Funds Amount:

\$ 790,165.00

Environmental Assessment:

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Renter Households	10	10		100.00
# of Households	10	10		100.00

Proposed Accomplishments

	Total
# of Multifamily Units	2
# of Housing Units	2
Activity funds eligible for DREF (Ike Only)	
#Units & other green	
#Units deconstructed	
#Sites re-used	2
#Units exceeding Energy Star	10
#Units with bus/rail access	10
#Low flow showerheads	10
#Low flow toilets	10
#Units with solar panels	
#Dishwashers replaced	10
#Clothes washers replaced	2
#Refrigerators replaced	10
#Light fixtures (outdoors) replaced	4
#Light Fixtures (indoors) replaced	20
#Replaced hot water heaters	10
#Replaced thermostats	10
#Efficient AC added/replaced	10
#High efficiency heating plants	10
#Additional Attic/Roof Insulation	2
#Energy Star Replacement Windows	20
# of Properties	2

Activity is being carried out by Grantee:

Yes

Activity is being carried out through:

Grantee Employees and Contractors

Organization carrying out Activity:

City of Cincinnati

Proposed budgets for organizations carrying out Activity:**Responsible Organization**

City of Cincinnati

Organization Type

Unknown

Proposed

\$ 790,165.00

Location Description:

Target areas of Northside and Evanston

Activity Description:

This project provides funds to purchase and redevelop homes and residential properties that are vacant and have been abandoned or foreclosed upon, in order to rent such homes and properties for persons at or below (50%) of the area median income.

- 24 CFR 570.201(a) Acquisition

>- 24 CFR 570.202 Eligible rehabilitation and preservation activities for homes and other residential properties

Grantee Activity Number:	4-167000		
Activity Title:	NSP Hazard Abatement and Demolition		
Activity Type:	Activity Status:		
Clearance and Demolition	Planned		
Project Number:	Project Title:		
90004	NSP3 Hazard Abatement and Demolition		
Projected Start Date:	Projected End Date:		
05/01/2011	04/30/2014		
National Objective:	Total Budget, Program Funds:	\$ 316,066.00	
LMMI: Low, Moderate and Middle Income National Objective for NSP Only	Other Funds Total:	\$ 0.00	
Environmental Assessment:	Total Funds Amount:	\$ 316,066.00	

Benefit Report Type:

Area Benefit (Census)

Proposed Accomplishments	Total
# of Singlefamily Units	20
# of Multifamily Units	5
# of Housing Units	25
# of Properties	25

Activity is being carried out by Grantee:

Yes

Activity is being carried out through:

Grantee Employees and Contractors

Organization carrying out Activity:

City of Cincinnati

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
City of Cincinnati	Unknown	\$ 316,066.00

Location Description:

This activity will take place in the target areas of South Fairmount, Northside and Bond Hill

Activity Description:

This project provides funds to demolish blighted structures. Under the Hazard Abatement and Demolition Program, condemned buildings citywide are demolished after standard code enforcement activities have been exhausted. Monthly Public Nuisance Hearings are conducted to determine if abandoned buildings are such a nuisance that demolition by the City is warranted. Criteria such as historic value, community support, the degree of fire and safety hazard, the level of criminal activity, and factors that depreciate property values are considered. Removal of blighted buildings leads to stabilization and increased community safety, and livability of neighborhoods.

- 24 CFR 570.201(d) Demolition of residential property that has been condemned and declared a public nuisance

Grantee Activity Number:	5-162000		
Activity Title:	NSP3 Administration		
Activity Type:	Administration		
Project Number:	90005		
Projected Start Date:	05/01/2011		
National Objective:	Not Applicable - (for Planning/Administration or Unprogrammed Funds only)		
Environmental Assessment:			
Activity Status:	Planned		
Project Title:	NSP3 Administration		
Projected End Date:	04/30/2014		
Total Budget, Program Funds:			\$ 316,066.00
Other Funds Total:			\$ 0.00
Total Funds Amount:			\$ 316,066.00

Benefit Report Type:
NA

Activity is being carried out by Grantee: Yes
Activity is being carried out through: Grantee Employees

Organization carrying out Activity:
City of Cincinnati

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
City of Cincinnati	Unknown	\$ 316,066.00

Location Description:
Not Applicable

Activity Description:

This activity involves administration of the NSP3 Program. Administration began in October 2010, and eligible pre-award costs from this time to the start of the grant, will be reimbursed. Administration will extend at least until the expiration of the program in early 2014.
- 24 CFR 570.206

Action Plan History

No History Found